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Do the statistics paint a true picture of youth unemployment?

Dec 12, 2013

# Newsletter from the Nordic Labour Journal 9/2013

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Theme: Europe is looking for new ways of creating jobs



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The Mormor.nu staff discussing a new collection sample. Left to right: Dia Dahl, Loubna Bouayadi, Nina Brandi, Dianna Martine Lindemann and Vivi Søborg.

## From vulnerable woman to professional knitter

Danish social entrepreneur Nina Brandi has successfully involved vulnerable women in her knitting business mormor.no which sells hand and machine knitted products to a global market.

THEME

11.12.2013

TEXT: MARIE PREISLER, PHOTO: TOMAS BERTELSEN

130 grandmothers across Denmark are sat knitting children's clothing for the Mormor.nu company, which has just shipped a major order to a customer in Korea. The customer list and product range are constantly growing. The latest is knitted products for adult, made and sold by women who have been outside of the Danish labour market for years.

One of them is Diana Martine Lindemann (31). She claimed unemployment benefits for six years before the municipal job centre in Frederiksberg municipality in the spring of 2013 of-

fered her a knitting course at mormor.nu. The course went so well that she got a traineeship with mormor.nu before the company hired her. To begin with this was with municipal salary support, but she is about to get a job with mormor.nu on completely normal terms.

"I have no education, I have been diagnosed with Aspergers and I am struggling with change, so I have never been able to hold down a proper job — until now. This job is just right for

me, I feel very lucky to have something I love to do,” says Diana Martine Lindemann.

She works 30 hours a week for mormor.nu and carries out a range of tasks including developing knitting designs, updating the online shop, packing orders and serving customers in the shop.

### **Felt a social duty**

Her employer, Nina Brandi, has been leading mormor.nu for the past six years. She has long been dreaming of supplementing the company’s children’s knitwear with adult knitwear, while at the same time taking a greater social responsibility by involving some vulnerable women, e.g. immigrants, because you don’t need great Danish language skills to service knitting machines, she explains.

“The company wasn’t growing as fast as I wanted it to. There are limits for how much my 130 knitters around the country can manage to knit for me. So I wanted to start using knitting machines, and I also felt that as a company leader I had a social responsibility.”

So she approached the Social Capital Fund which agreed to provide her with a loan and consultancy services, and she entered into cooperation with Frederiksberg municipality and designed a course in machine knitting with mormor.nu for women who are struggling to enter into the labour market.

Seven women started the course, all of them finished and with such good results that Nina Brandi was ready to let them all continue as apprentices — and the municipality agreed. Now, nine months after the knitting course started, four of the seven women are still with mormor.nu. Two of them are still in apprenticeships, one has been employed to work 23 hours a week in the warehouse.

### **Something to get out of bed for**

The warehouse worker is called Loubna Bouayadi. She is from Morocco and the only out of the four immigrant women who started the knitting course who remains in the company.

“You need Danish job experience to get a job in Denmark, so it has been difficult for me to find work. I am very glad to be here. We are having a really good time together,” says Loubna Bouayadi.

Dia Dahl agrees. She is 41 and trained as a clothes designer, but has been outside of the labour market for years because of personal issues. She is now an apprentice with mormor.nu and this has really improved her quality of life:

“It has helped me get my everyday life back together, and it is really enriching to experience that someone needs what I know and what I do, and to know that somewhere in the world someone is wearing the outfit which I have helped create,” she says.



While she talks she is operating one of the knitting machines. It runs the old fashioned way with punch cards.

Nina Brandi appreciates her “knitting girls”, as she calls her workers. And now she is getting ready to welcome more vulnerable women into her business, even though the training is taking more of her time than she had expected.

“This has taught me that the long-term unemployed have far more problems than unemployment. Several of my knitting girls have psychological problems and other difficult private problems which make it impossible to go into a normal job from day one. It has taken time, but now I have some extremely loyal workers,” she says.

She was recently visited by Denmark’s Minister of Employment, Mette Frederiksen, who said she would very much like to see more initiatives like mormor.nu and more of that kind of cooperation with job centres.

### **No universal solution**

The Frederiksberg Municipality job centre is also happy with the cooperation with mormor.nu, says Johanne Schneider at the municipality’s employment service:

“It has got off to a very promising start. The women have been very motivated and if only two of the original eight women who attended the knitting course and who have been in apprenticeships with mormor.nu end up with a job, it represents good business for the municipality.”

She considers an initiative like mormor.nu to be a good contribution to get long-term unemployed people into the labour market, but warns against believing that social enterprises and social entrepreneurship can solve the task for all long-term unemployed.

“This is a giant challenge for us as a society, having a group of people who are vulnerable and whose lives can easily turn upside-down, making it impossible for them to work. This is hard for a company to relate to when it needs to make money, so there is not space for everyone.”

There is also a need for partnerships between companies and public authorities, and for projects based on socio-economic ideas while being public work projects, Schneider thinks.

### **Not everything can run to a formula**

Mormor.nu has got support from Trygfonden and the Social Capital Fund — Denmark's first social venture fund. The Social Capital Fund's CEO Lars Jannick Johansen has spent years working as an adviser, board member and strategy developer. He is very happy with the social results from the investments in mormor.nu.

"It is an exciting social enterprise which works a field that we find very visionary, i.e. including very vulnerable groups into the labour market. And early results are positive. Several of the women taking part are still with the company, and there was never an expectation that all of the women should end up in permanent employment. For that mormor.nu is too small," he says.

He considers it important to provide support to social entrepreneurs to make their business ideas competitive. Mentoring and providing highly qualified advice on how to run a business are therefore central elements to the kind of support that the Social Capital Fund so far gives to four Danish companies.

But no matter how well social enterprises are run and how many there will be, they will never be able to replace social work," says Lars Jannick Johansen.

"Social entrepreneurship has great potential. It can probably help many vulnerable people into the labour market, but not all social work can be run according to a business formula. There are people whose social and personal problems are so serious that we must accept a transition zone of projects that have socio-economic elements but which cannot be run as a business."

### **A need for Nordic cooperation**

He is convinced that social entrepreneurship can be promoted through closer Nordic cooperation on social investments.

"The Nordic countries will be stronger together when the EU grants resources to this area, and the individual Nordic markets are small but similar, and have come approximately equally far when it comes to social enterprise — so we could gain a lot by sharing our experiences and resources," he says.

He was previously a member of the Danish government's special committee for social enterprises, which this autumn presented a range of recommendations for how social enterprises can contribute to help more people with social problems link up with the labour market. So far there are not very many social enterprises in Denmark, and they are generally small. The number is growing fast, yet there is a need for a longterm push to keep the number growing and there needs to be a national strategy, the committee concluded.





Susanne Tillqvist from EY has been working with the 'National Clients' scheme, offering major national companies a single contact at the employment service.

## Partnerships could create more jobs in Europe

Labour market measures and various types of training are not enough, no matter how good they are. Job creation is the crucial thing and it must happen through cooperation between the public and private sectors and civil society. These were some of the conclusions when labour market experts met at the annual Employment Forum in Brussels.

THEME

11.12.2013

TEXT: GUNHILD WALLIN, PHOTO: BJÖRN LINDAHL

In a conference room at Brussels' Crowne Plaza Hotel the audience is watching a picture of beautiful fields and blue mountains. It is obviously somewhere in Sweden and appears to show a timeless idyl. The next picture shows the riots in the Stockholm suburb of Husby in the autumn of 2013. Two totally contrasting pictures from the same country. The idyl changes to burning cars and angry youths. The difference in the two pictures is about youth unemployment.

“Desperate youths do desperate things. We need to prevent creating a lost generation,” says Susanne Tillqvist, a partner at EY, formerly known as Ernst & Young.

She is one of the speakers at the seminar ‘Together private and public sector map a path to tackle youth unemployment’, one of many posts in the programme at the Employment Forum which is held in Brussels every November, gathering labour market players from across Europe. This year's theme is the need to initiate and push for change in order to achieve

sustainable growth. For two days various aspects of job creation in Europe are being discussed.

### **Gloomy starting point**

The purpose might be to be creative and to look forward, yet the situation in parts of Europe today is as gloomy as the pouring rain outside the hotel during the conference's first day. The European youth unemployment figures being presented are alarming. In October 2013 65 percent of Greek under 25s were unemployed, and 65 percent of Spanish youths. One in five under 35s have never had a job. 7.7 million youths between 15 and 24 in EU countries belong to the so-called NEET group; young people who are not in employment, education or training. The high unemployment is not only a problem for those who cannot find work. It also threatens basic values like confidence in the worst hit societies, several of the panel participants pointed out.

Youth unemployment also differs sharply between EU countries, according to recent statistics. In Germany it stands at a low 7.1 percent. So what can be learned from the German example? One explanation is the successful combination of traineeships and education – one of several solutions which were being discussed at the conference.

New measures and ideas will be born from these facts on the serious nature of unemployment, but also from good examples. There's a need to be reactive – to get to grips with youth unemployment – and proactive – to avoid bottlenecks and to react quickly to rapid social change. The future must be based on three pillars – creating new jobs, the inclusion of marginalised people and effective matching.

There is a need to cooperate to find new and creative solutions for a future Europe. The conference looked at ways to improve the journey from education to working life, how skills can be matched with jobs and how to come up with new ideas for the cooperation between the private and public sectors and civil society.

Change is the only constant, says Massimiliano Mascherini, head of research at Eurofond and the main author of 'NEET:s young people Not in Employment, Education and Training – Characteristics, Costs and Policy Responses'. In the face of constant change, training and measures are not enough.

"We can be as effective with our measures as we want, but it is not enough if there are no jobs.

"The most important thing is to create jobs," he says.

### **Social responsibility**

So what kind of public-private partnerships will open up the labour market for the long-term unemployed? One example from Sweden is presented at the workshop headed by Susanne Tillqvist from EY. She has been working with workplace issues for six years, allowing her to get involved with various programmes and projects.

One such project, which was also presented during the conference, is 'National Clients' which is run by Sweden's Public Employment Service. It offers major companies which operates nationally the chance to have one central contact at the employment service rather than having to relate to each individual, local employment office. One aim is to improve the matching between the company's recruitment needs with skilled unemployed people anywhere in Sweden, while also having access to the employment service's resources.

Today the employment service has 47 national clients comprising major companies and organisations. Around half of them, including Swedbank, Clas Ohlson, H&M, ICA, Swedenavia and The Swedish Social Insurance Agency, are also interested in opening their business to youths who are far outside of the labour market – foreign-born youths, people with reduced mobility or people with the right skills who live in the wrong place. Mentored traineeships help the trainee understand the business while it gets access to the employment service's various tools and subsidies in return. This might include validation, traineeships, further education, help to move and more. 13,000 traineeships have been approved for 2013 and 2014.

"We create tailor-made solutions for each youth together with the company, and this is important. The youths need individualised measures. They get to experience being in a workplace while the employer doesn't have to take any risks," says Soledad Grafeuille, who is responsible for the project at the employment service.

She says around half of the traineeships have resulted in real jobs, and that it has been of great importance for youths or other job seekers and the employers to be able to meet and learn to know each other.

"One of our challenges is to move the focus from the public to the private sector, because it is in cooperation with with private companies that we really get to use our 'toolbox'. For the companies this means they can get help to reach their diversity goals while also working with their social responsibility. Our responsibility is to learn to know the companies and to keep our promises," she says.

### **A 'win-win' situation**

It is, of course, down to each individual company to engage in this type of measure, to decide how big a responsibility they are willing to take or have the opportunity to take in order to help young people into work, says Susanne Tillqvist from EY, who has been surveying the companies' attitude to the cooperation.

"But it is our world, our planet and our children. Many have their own children, which increases their willingness to commit" she says.

The help companies get from the employment service's toolbox makes it possible to invest in helping young people into

the labour market. At the same time they get help to find the right skills. This benefits the company and it benefits society. She also notices a general increase in companies' interest in taking social responsibility, a desire to contribute to society. Her own company, EY, has done a lot of work to map how to do just that using the skills available in house. Today that is being exemplified in their work in the much talked about Malmö suburb of Rosengård, at the Tensta/Rinkebyakademin where they help develop entrepreneurs and business plans.

“One important parameter is to explain to the companies what they can contribute with, but at the end of the day it is all about what kind of values a company wants to pursue,” says Susanne Tillqvist.

### **Granddad's pension saves the family**

While we speak, exhibitions are held, people meet, one workshop finishes and another begins. The air is thick with conversation. Global job centres? Or specialised job centres for specialised needs – in particular for those who are far outside of the labour market? And what will the European youth guarantee achieve? It was agreed upon in December 2012 after a quick process – “unusually quick for the EU,” some will say – and it has been awarded six billion Euro to be implemented on a national scale. So despite all, there appears to be some hope out there that jobs can be created, that companies will enter into more job creating cooperations, that social companies and innovation represent other and new ways of reducing unemployment and creating growth.

Yet far from everyone is optimistic. In a cafe outside the conference's main meeting room we meet Pilar Rodrigues. When she hears we are from Norway and Sweden she almost dismisses us. What do we know, a couple of privileged people lucky enough to live in a region which has managed so much better than many other European countries?

“In Spain today it is not unusual that the entire family lives off granddad's pension,” she says.

There's no doubt the good intentions must be realised urgently.





Kaarina Latostenmaa heads a project looking at what kind of help employers need to be able to hire people who have faced mental problems

## Employers need help to hire marginalised people

Employers' attitudes when it comes to hiring workers with reduced work ability is not necessarily governed by ill will. A targeted effort to support employers through a project running for several years in Satakunta in western Finland showed that they need facts and practical advice in order to successfully hire people who for instance have mental challenges.

THEME

11.12.2013

TEXT: CARL-GUSTAV LINDÉN

They represent a growing group of people and that's why the authorities' help is so important, says project leader Kaarina Latostenmaa from the recently completed Mood for Work project. It is supported by the European Social Fund, which has been spreading the message of network based employer models across Europe.

The Mood for Work models were developed through the earlier project Työmieli, and alongside European partners like Klara Livet ('Get ready for the rest of your life') in Sweden the experiences have been presented in various settings, lately at the Employment Forum in Brussels in November. The way

in has always been to look at different solutions through the eyes of the employer.

### **Employers think socially**

"We conducted 120 interviews with employers to find out how they think. Their attitude was not the problem – they just didn't know that they could get help and support or that they could find people who could provide support. The employers think socially and feel it is entirely possible to hire special groups," says Latostenmaa.

Apart from the Satakunta vocational university where she works, the regional employers and authorities have helped

run the project. Its most important result has been that knowledge about how to employ marginalised people has spread wide and far.

Kaarina Latostenmaa is currently launching a third project – Jengoilleen ('Getting Going') – which focuses on how employers should look after workers with physical disabilities. The project involves the Finnish Work Environment Fund which helps supervisors find the right tools to support people who are returning to working life after long term sick leave, or who need support in order to continue to work.

### **Started before the crisis**

At the same time it is clear the climate for this kind of work has changed since 2009, when the first project got going.

“We have the general economic situation, of course. When we started there was still talk about a labour shortage, but you don't hear about that now.”



The workshop and shop in Ljubljana where Karocikel sells second-hand bikes which they have done up. Customers can also pop in to fix their bikes themselves with help from staff

## Second-hand bikes showing the way back to the labour market

Jasmina Smajić Šupuk from Slovenia was unemployed for two years but had a background from voluntary organisations like Amnesty International. When she could find no employer who would take her on, she decided to start her own business — finding other people jobs.

THEME

11.12.2013

TEXT AND PHOTO: KAROIKEL, BJÖRN LINDAHL

Today she heads a social enterprise called Karocikel, which collects clamped out bikes to do them up.

“I got the idea from a girl I met from Tirana in Albania. She was importing second-hand bikes from the USA and start-

ed her own company which lets people use the bikes for free, and which makes money from ads on the bikes,” she says.

“But since that idea had already been used and also exists in so many other European cities, I was forced to think of something new.”



Her idea was to use the repair of the bikes as a way to help those who are completely on the outside of the labour market to learn the necessary skills to get back into it.

“We work with three groups: NEETs (youths not in education, employment or training), migrants and people over 50. The latter group is the easiest because they are often full of knowledge and know what it means to be working. They have simply fallen out of the labour market as a result of discrimination or for other reasons.”

The migrants mainly come from parts of the former Yugoslavia, while the young with now job, education or training represent the trickiest group.

“We have to teach them everything, from personal hygiene to the fact that they mustn’t sleep during training. Many of them only curled up in a corner.



“The migrants, on the other hand, could be difficult to get into work on a Saturday — the only day we had access to a workshop. The most important thing for the NEETs was to change their attitude, to get them to understand that not everything was about them.”

Today Karocikel is a social enterprise with six full-time employees and 15 people in workplace training. Finding 15 people among the 200 who applied was hard, she says.

But how did she convince the Slovenian authorities to invest €300,000 in a project where she, as an unemployed person, tried to start a company with the aim to get other unemployed people into work?

“The simple answer is we had a very good business plan,” says Jasmina Smajić Šupuk when we meet her during a standing lunch at the Employment Forum in Brussels.

One thing separating Jasmina from other unemployed people was that she was married to a successful businessman who sighed; “Jasmina, you cannot save the entire world. You must find something that pays!”

“In the beginning I was worried we wouldn’t get any bikes in — today I’m looking for space to store the hundreds of bikes we get in every week.

“We have two models: bikes which only need a single spare part we fix ourselves and sell them on as they are. Those that need more work we dismantle, spray paint all the parts separately and reassemble them. We can produce special models for a hotel or a company in a particular colour,” she says.

“The aim is to run the company without any public support in a few years from now. We’re already making enough money to buy all our spare parts.”

People working for Karocikel are paid a bit more than the Slovenian minimum wage and enjoy all the other rights.





The Faroe Islands' Prime Minister.

## Kaj Leo Johannesen: The Faroe Islands' challenge is to keep hold of its youths

Since 28 August the Faroe Islands have been boycotted by the EU and Norway because of a dispute over North Atlantic herring and mackerel. Faroese vessels are banned from landing these two species in the EU, Prime Minister Kaj Leo Johannesen tells the Nordic Labour Journal.

PORTRAIT

11.12.2013

TEXT AND PHOTO: BJÖRN LINDAHL

Kaj Leo Johannesen compares EU and Norway's boycott with the one imposed on Cuba — yet he wishes to quickly negotiate a free market agreement with the EU as soon as the conflict is over.

“The fisheries conflict with the EU and Norway is not about herring and mackerel, it's about which principles should cover the North Atlantic. How do we divide up our resources when climate change changes the way the fish moves?” says Kaj Leo Johannesen when we meet him during an Oslo visit.

### Former goal keeper

The comparison with Cuba feels a bit far fetched. The man sitting in the sofa at Grand Hotel is no bearded revolutionary, but an intense man who like a football goal keeper leans forward to face the next question. He answers in a Scandinavian peppered with some English. Kaj Leo Johannesen has been Prime Minister since 26 September 2008. He is also the first Prime Minister to get the voters' renewed trust and will remain in his position until 29 October 2015. Being interested in history, and with a varied professional background in-



cluding being a fisherman, skipper, marketing manager and national football player, he delivers all his dates in an exact manner — like the historical date of 12 September 1990, when the Faroe Islands beat Austria 1-0 at football in their first ever UEFA match.

“I also had the pleasure of playing Norway at Ullevål [in Oslo]. We sadly lost 1-0. Rune Bratseth scored the goal,” he says.

Perhaps football is the reason Kaj Leo Johannesen wonders how civilised nations in negotiation can begin boycotting a small fishing nation with 49,500 people while at the same time talk enthusiastically about new trade agreements and good relationships with the EU.

Football players — at least the ones showing sportsmanship — can play a tough match and still swap shirts afterwards.

“I compare it to a marriage. You can disagree on who should do the dishes one day without seeking a divorce,” he jokes.

### **The boycott hits the EU hardest**

Another point is that the boycott has hit the Faroe Islands less than the EU and Norway would have wanted it to.

“It means we need to fill more working hours in the Faroe Islands and more jobs at the large, modern fishing processing plants we have constructed. It impacts on Danish workplaces — which are forced to show solidarity with the EU. But of course it also means a loss of revenue when you exclude 620 million of the citizens with the best purchasing power.”

Unemployment has been relatively low in the Faroe Islands for some time.

“In general we have always had very low unemployment. When the crisis hit in 2008 and 2009 it reached 8.7 percent. But now it is 4.6 percent. We have managed relatively well through the economic crisis. We still work to stabilise society through other reforms in various areas, of course, like health care and pensions. The retirement age will be increased to 70 from 67 today. The Faroe Islands are known for having a high pension age combined with a high employment rate. I think we have always been good at working.”

### **“Not just to be nice”**

The Faroe Islands are part of the Danish Realm which comprises Denmark, Greenland and the Faroe Islands. The two autonomous areas remain outside of the EU and share many challenges, but there are also major differences. The number of inhabitants is approximately the same — Greenland has just over 10,000 more citizens, but the Faroe Islands don't have two languages and receives far less economic support from Denmark. The so-called 'bloktilskud' subsidy for the Faroe Islands is 630 million Danish kroner (€84.4m) while Greenland gets 3.6 billion kroner (€482.5m).

“But Denmark doesn't give us 630 million kroner just to be nice. This is an agreement which strengthens both parties. Small is beautiful and big is powerful, as I like to say. But we have never been scared of taking on the responsibility for more areas. The next on the list is air traffic control,” says Kaj Leo Johannesen.

Compared to Greenland, where there is intense debate about independence from Denmark, in the Faroe Islands that issue has fallen by the wayside, says Kaj Leo Johannesen.

“In 1998 people really wanted it, after the banking crisis. At that time some parties in the Faroe Islands felt tricked by Denmark. Since then cooperation has been very constructive,” he says.

### **Young people study in Denmark**

Most of the young people still go to Denmark to get an education. This is also a period in life when they often meet a partner and start a family. The greatest challenge for the Faroe Islands is to make them return after having lived for six years in Denmark.

“The Faroese population isn't shrinking a lot. Since 2008 60 people have left. But the population is getting older and there are fewer youths. In order to tempt them back we need to be able to offer them jobs, first and foremost in the fishing industry.”

*But do young people want to work there? Is that not a very male dominated industry?*

“The time when 100 women stood side by side cleaning fish is over. Today the fishing industry is becoming more technological. We need people with technical training who can operate the machinery. Women can also work with sales and marketing and we need many bioengineers to develop new products.”

### **Fish is the backbone**

With 500,000 fish in the sea and what Kaj Leo Johannesen calls the best conditions for salmon farming anywhere in the world, fish will always be the backbone of the Faroe Islands' economy.

“But today we only manage half of the fish. There are many by-products which we do not explore and we need to be more creative. In ten years time the value of by-products might match or be greater than the value of the filleted fish.”

Then there is the large unknown: oil exploration.

“So far we've drilled seven wells, all of them dry. But the wells which Statoil, Exxon Mobil, Dong and Atlantic Petroleum — the Faroese oil company — are going to drill this year will be very exciting. For the first time we will be drilling under the basalt layer found deep under the seabed. I believe the experts when they say any find could be major.”

### **As rich as Qatar**

“With our population of around 49,500 people this means we could become as rich as Qatar overnight. We have looked at other countries, Norway and Alaska, and taken the best from their oil legislation. This has worked well so far. We are competitive and already have 1,500 Faroese working in the oil industry despite the fact we have yet to find one drop of oil.

“We will also make sure future generations will get part of the income and will see to it that oil revenues are phased in to avoid them impacting on other parts of the economy.”

This, along with a growing tourism industry — especially from cruise ships headed for the Arctic — means the need for foreign labour is increasing.

“We can offer something different. People I have spoken to say that the feeling you get when you step off the plane is unique. It is a feeling of being ‘relaxed and unstressed’, you lower your shoulders after having been here for a couple of days.

“This is what we have to offer: Nature, strong colours, four seasons in a day. You can walk in the mountains and eat good food. We are really into gastronomy.”

60 cruise ships visited the Faroe Islands this year, the runway at the airport has been expanded by 1,800 metres and three large airliners including a brand new Airbus now fly to Torshavn.

“So far we have had a rule saying foreign labour can only be used if unemployment is below 3.5 percent. Immigration is one area of responsibility which we will take over from Denmark. We will increase that limit to 6–7 percent,” says Kaj Leo Johannesen.

### **Major investments**

Several major investments in infrastructure, healthcare and education will be made in the coming years.

“If we offer more further education here in the Faroe Islands, our youths don't have to spend more than three years studying in Denmark. That improves the chances that more of them will return. We are spending 500 million kroner on building a new university.

“We are also building new tunnels under the sea to link the capital area with Eysteroy and Sudroy. Already 85 percent of the population are linked via tunnels. These are far cheaper than ferries, which have become very expensive to run because of high oil prices, maintenance and the costs of new vessels. Young people don't want ferries. My generation might be the last to accept them. Young people want to get to and from Torshavn quickly.”

Kaj Leo Johannesen is convinced the conflict with the EU will be solved — perhaps even before Christmas, and it almost seems like the conflict has enlivened the Faroese.

### **Not the first time**

“Necessity is the mother of invention’, you know. The same thing happened in 1964. The Faroe Islands was the only Nordic country to deliver fish to the UK during the second world war and in the years after it remained our most important export market. But in 1964 British fishermen could no longer accept that we landed so much fish and we were locked out. But there was no crisis. Quite the opposite. We soon found new markets.

“It's the same today. We sell our herring and mackerel to the Far East, Russia and Africa. There are more African countries with greater purchasing power than what countries in southern Europe have today.”

# The 2014 Icelandic Presidency: focus on masculinity

Iceland takes over the Presidency of the Nordic Council of Ministers from next year, during which time the Council will focus on labour market issues, men and masculinity as well as ways of removing border obstacles between the Nordic countries.

## NEWS

11.12.2013

TEXT: GUÐRÚN HELGA SIGURÐARDÓTTIR

The Nordic countries will celebrate 60 years of labour market cooperation in May 2014. The fight against youth unemployment and unemployment among other exposed groups will be a main focus throughout the year. Longterm unemployment and cooperation between educational institutions and labour markets will also be key issues in the coming year.

Reykjavik will be hosting a jubilee conference in October, where relevant research will be presented along with the results from the cooperation aimed at removing red tape surrounding the free movement of people. Future challenges will also be identified. There will also be a government ministers' meeting and a consolation meeting between the social partners.

### **New border obstacle council**

Iceland will restructure the Freedom of Movement Forum and create a Freedom of Movement Council to be led by former government minister and member of Iceland's Parliament Siv Friðleifsdóttir.

The Freedom of Movement Council's aim will be to remove border obstacles and work towards an open and well-functioning common labour market. The Council will abolish five to ten border obstacles a year to help make life easier for the 70.000 people who cross Nordic borders every day.

"People and businesses should be able to cross our borders as unhindered as possible," Iceland's Minister of Social Affairs Eygló Harðardóttir told the Nordic Council of Ministers during a recent Oslo meeting.

There are also plans for a Nordic conference on education and on business and institution traineeships. The conference will focus on how the education system can be better linked up to businesses in order to help young people workplace training.

Iceland and the other Nordic countries have earlier given businesses the chance to take on trainees as part of a vocational education, but that trend has diminished partly because of a weaker economy. This development will now be debated.

### **The key question of equality**

Gender equality will naturally also feature on the agenda for 2014. Part-time work, equal pay, a gender-divided labour market and the work-life balance are all issues which will be discussed.

Senior advisor Ingi Valur Jóhannsson at Iceland's Ministry of Social Affairs says the conference will see the results from a new survey mapping why women choose to work more part-time than men.

The June 2014 conference on masculinity and the study of masculinity in the Nordic region should also be interesting. Two renowned masculinity and gender researches will deliver the conference keynote speeches; the Australian Professor Raewyn Connell from the University of Sydney and the American Professor Michael Kimmel from the State University of New York.

"The Nordic region is unique and has been leading the way on gender equality," says project leader Ásta Jóhannsdóttir, who is responsible for planning the conference on behalf of NFMM, Nordic Association for Research on Men and Masculinity.

She points out that the study of masculinity also holds a unique position in the Nordic region, perhaps as a result of parental leave.

"There is often talk about the Nordic region having better welfare and gender equality compared to other parts of Eu-

rope. That's why I felt it was important to focus on masculinity," she continues.

Ásta Jóhannsdóttir is hoping to see at least 150 participants at the conference on masculinity. And she is optimistic. She has already received 87 abstracts of various reports from lecturers around the world.

# Do the statistics paint a true picture of youth unemployment?

There are considerable difference between the Nordic countries in their levels of youth unemployment and how long it lasts. But are some of the differences a result of the way in which statistics are gathered, and are Sweden and Finland really doing worse than any of the other countries in all aspects?

NEWS

11.12.2013

TEXT: BJÖRN LINDAHL

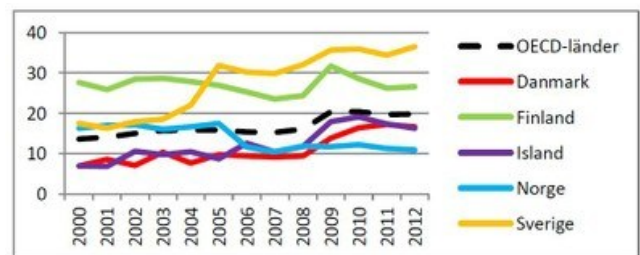
A new Nordic report, 'Youths in work in the Nordic region', explores the question in detail and looks at four different factors which might explain the differences between the countries:

- The need for labour
- The structure of the education system
- The flexibility of workers' rights
- Youths' salary levels

Åsa Olli Segendorf, the report's main author, concludes that apprenticeships make a great difference to how many youths can be classified as being employed. ILO's statistics classify apprentices as being employed, because they are being paid during their time in training.

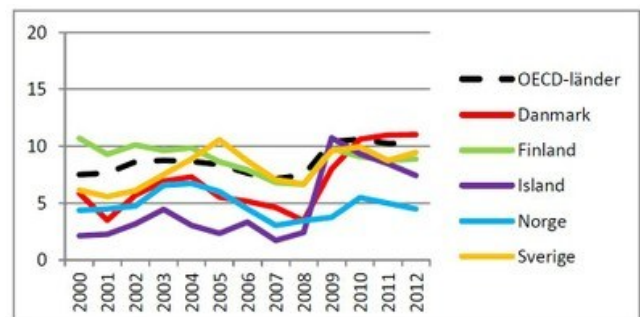
In Denmark nearly one in four employed youths is an apprentice, in Iceland and Norway the figure is nearly ten per cent while in Sweden the number is negligible. Yet the differences in apprentice systems cannot fully explain the different unemployment levels.

Media often quote numbers which show Sweden and Finland having the highest level of youth unemployment. The difference is greatest among the youngest age group; 15–19 year olds:



*Unemployment 15-19 year olds. Source: AKU, OECD*

Yet comparing an older group of youths – 25–29 year olds – throws up much lower unemployment figures. At the same time it is considerably higher in Denmark, while Sweden and Finland's figures are lower than the OECD average. The 2008 economic crisis can be seen clearly in the statistics for Denmark and Iceland. Norway still enjoys very low unemployment:

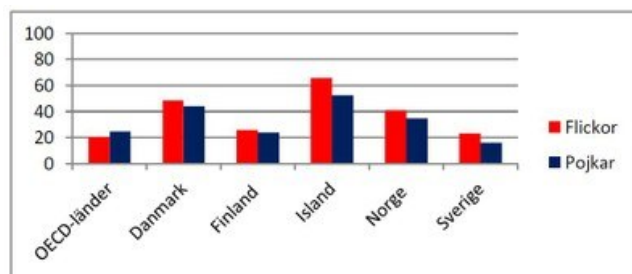


*Unemployment 25-29 year olds. Source: AKU, OECD*

If you look at employment rather than unemployment, it is higher for 15–19 year olds in the Nordic countries compared



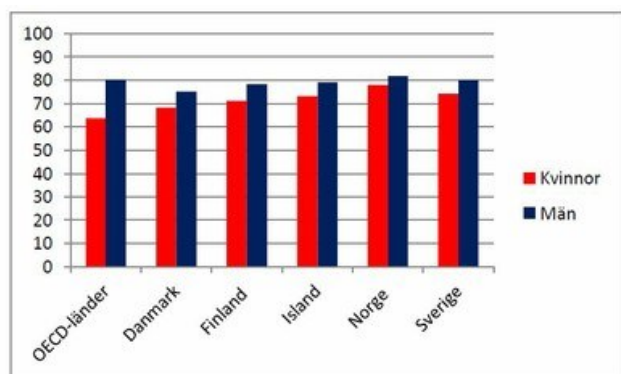
to the rest of the OECD. Another difference is the higher number of girls who work compared to boys from that age group, which is not the case elsewhere in the OECD:



*Employment rate 15-19 year olds 2012. Source: AKU, OECD*

Iceland stands out with a very high number of 15–19 year olds working part time while studying.

Looking at the older age group of 25–29 year olds, the differences even out, while men work more than women:



*Employment rate for 25-29 year old women and men, 2012*

The report says Sweden has the least flexible workers' rights for young people. The wage distribution is also narrowest in Sweden.

Young workers are at a disadvantage compared to middle aged workers in the labour market because they have less experience and are therefore often less productive.

“If you don’t compensate for the difference in productivity by lowering starting salaries for young people, you might end up with a higher relative youth unemployment because employers’ wage costs increase,” writes Åsa Olli Segendorf.

It is nearly impossible to find statistics for the youths’ general salary level, because the minimum wage – which is most often what young people are being offered – is agreed on after negotiations between employers and trade unions, rather than being introduced through legislation like in most other European countries.

A 2011 Nordic survey of workers in the service and retail industry does, however, throw up rather large differences between the countries, especially for Iceland.

Country	Minimum wage
Denmark	18,946
Finland	15,888
Iceland	10,715
Norway	21,026
Sweden	17,325

*Minimum wage in SEK after purchasing power parity adjustment*

The report does not give a final answer to why there are differences in youth unemployment between the countries.

“But possible explanations include institutional differences in education systems leading to different levels of labour market attachment, differences in the flexibility of workers’ rights, differences in minimum wages and the fact that the different countries have different needs for labour,” writes Åsa Olli Segendorf.

# Sweden's transport sector considers universally applicable collective agreements

The Swedish model is no longer strong enough. The transport sector is so troubled by unfair competition that we must consider introducing universally applicable collective agreements.

NEWS

11.12.2013

TEXT: KERSTIN AHLBERG, EDITOR EU & ARBETSRÄTT

So say the heads of the Swedish Transport Workers' Union and the employers' organisations the Transport Group and the Swedish Road Transport Employers' Association, who are planning a joint trip to Norway and Finland to study their systems of universal applicability. But other trade unions and employers' organisations are resisting. In Sweden and Denmark, collective agreements are only binding for employers who join them voluntarily. The other Nordic countries, as well as most EU/EEA countries, have so-called universally applicable collective agreements. This means that all employers within the scope of the agreement are obliged to pay wages and fulfil any other terms as defined in the collective agreement, whether they want to or not.

For a long time there has been nearly deafening agreement between the social partners in Sweden that the country should not go down that road. It would be alien to the Swedish model. During 2013, however, cracks have begun to show in that consensus.

At a seminar during the so-called politics week in Sweden's Almedalen last summer, the Swedish Transport Workers' Union's leader Lars Lindgren noted that the collective agreement's position was becoming so weakened that you would have to start thinking about introducing universally applicable collective agreements in Sweden. It is not surprising that he of all people was the first to bring this issue to light. The transport sector has been the worst hit of all industries by unhealthy competition. Trade unions and employers' organisations agree on what is happening, and they highlight two core challenges.

## Against cabotage rules

One is the fact that foreign transport companies are permanently running domestic routes within Sweden with drivers who are paid in accordance with the rules in the country where the transport company is registered, although this is in breach of the so-called cabotage rules. These rules allow foreign companies to run domestic routes to a certain extent so

that they don't have to return home with empty trucks, but they don't allow for this to carry on permanently.

Cheating with cabotage rules can not be dealt with by making the collective agreement universally applicable, however. What is needed here is more effective sanctions and for the police to take breaches of these rules seriously and to act, say trade unions and employers.

The other challenge is found within the taxi trade. For a taxi company it is a real coup to secure contracts with a municipality or a county council to run publicly funded transport of citizens who are ill or physically handicapped. But since these contracts are only awarded to the lowest bidder it is no longer possible to secure the contract if you pay your drivers according to the collective agreement. Which in turn means fewer and fewer taxi firms want to join the collective agreement. This is the problem universally applicable collective agreements could help solve.

## Great resistance

During the Almedalen seminar Lars Lindgren got some support from the leaders of the Swedish Union for Service and Communications Employees (SEKO) and IF Metall, who agreed universally applicable collective agreements could represent a solution for some unions. As the debate progressed throughout the autumn, however, it became clear that there is still great resistance among trade unions and employers. Other trade unions have far fewer problems defending the collective agreement's position than the transport union, and there is fear trade union membership will fall if collective agreements become universally applicable.

Yet the parties within the transport sector stick to their guns. In the new year the leaders for the Swedish Transport Workers' Union, the Transport Group and the Swedish Road Transport Employers' Association will travel to Norway and Finland to see how things work there. The Norwegian and Finnish systems are very different from each other. In Nor-

way universal applicability is only used when a trade is especially exposed to what is called social dumping, and in that case there are only certain parts of the collective agreement – usually those concerning wages and working hours – which are made universally applicable. In Finland, however, all national collective agreements with a certain degree of coverage are made universally applicable, and in reality nearly all of the labour market is covered by such agreements.

The debate over how things should look in Sweden is set to continue.